

## ETEXT ATTACHMENT

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Wiley Rein & Fielding, LLP

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Jan Witold Baran

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202.719.7330

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jbaran@wrf.com

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April 15, 2003

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Federal Election Commission

999 E Street, NW

Washington, DC 20463

Re: Friends of John Boehner (April 2003 Quarterly Report)

Dear Sir:

Friends of John Boehner ("Committee") filed today its April 2003 Quarterly Report and amendments for calendar years 2000, 2001, and 2002. The amendments are necessary to reflect financial irregularities discovered by the Committee.

Specifically, the Committee recently noticed that certain disbursements had been misreported on its latest FEC reports. The Committee was led to believe by its former treasurer that these problems stemmed from a flood in March, 2001 which had destroyed the Committee's computer records. However, in further researching these problems and comparing the FEC reports to the Committee's actual payments, the Committee discovered a number of irregularities. The irregularities had been hidden through a series of deceptive practices to falsify records and conceal activities. The Committee's former treasurer was confronted and then admitted that he had been misappropriating Committee funds to support a gambling habit. The individual was immediately fired and a professional treasurer was hired to prepare accurate FEC reports and amendments. The amendments, in combination with the April 2003 Quarterly Report, reflect unauthorized expenditures in the amount of \$418,559.38. The Committee has notified the FBI of these irregularities. An investigation is ongoing.

The Committee will seek restitution from this individual. However, it is unlikely that he will be able to repay the campaign for unauthorized disbursements. Thus, consistent with Advisory Opinion 1989-10, the Committee will not reflect a debt from this person.

Finally, the Committee has now instituted several procedures to ensure that this does not happen again. These procedures include a monthly bank reconciliation conducted by a CPA and regular independent audits.

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Sincerely,

Jan Witold Baran

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